and the cost fixed for marketing as determined by BICP;

(b) if so, whether Government intends to reiew the situation and devise ways and means to meet this gap and save the industry from the recurring losses; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (c) BICP had recommended a price of Rs. 4,408/Kg. and 540/Kg. for Quinine Sulphate and Quinine Hydrochloride respectively as against the earlier notified price of Rs. 2530/Kg. and 3262/Kg. respectively. However, Quinine is outside price control since 6.1.1995, the date on which the DPCO, 1995 was promulgated.

**Norms and incentives for R&D to drug industry**

8358. SHRI SUDHIR RANJAN MAJUMDAR: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether norms and incentives for R&D to the drug industry have been announced and if so. the details thereof;

(b) the incentives for R&D available to the drug industry under DPCO, 1995 and what were the incentive available under DPCO, 1987;

(c) whether it is a fact that new incentives have not been implemented so far and if so, the reasons for non-implementation of the incentives. and

(d) the details of applications for exemption from price control on the ground of R&D pending with the Ministry since when and what action has been taken?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (c) Policy initiatives to strengthen research and development in the pharmaceutical industry, as contained in "Modifications in Drug Policy, 1986", announced in September, 1994 are as follows:—

(i) A new drug which has not been produced elsewhere, it developed through indigenous R&D would be put outside price control for a period of ten yeas from the date of commercial production in aour of the Company who undertook in the R&D.

(ii) The Department of Chemicals and Petrochemicals would set up an Inter-Ministerial group to decide, within a set time frame, on measures to give further impetus to R&D in the Drug Sector.

(iii) The rate of return in case of basic manufacture would be higher by 4 per cent over the existing 14 per cent on net worth or 22 per cent on capital employed.

With respect of measure (i) and (iii) above necessary provisions have been made in DPCO '95 notified on 6-1-95. In so ar as measure (ii) above is concerned inter-ministerial committee constituted by the Government for the purpose has since submitted its recommendations which are under the consideration of the Government.

The above measures are in addition to existing incentives being enjoyed by Drug Industry which are given below:—

1. Exemption from price control on account of own R&D.

2. Exemption from price control to New Drug Delivery Systems.

3. Higher profitability ceiling for units engaged in R&D.

(d) The details of applications for exemption from price control pending

with the Ministry are given the enclosed Statement.

**Statement**

*Details of Applicationss for exemption from price control on account of own R&D*

| S. No. | Name of Bulk Drug | Name of the Company | Date of Application received | Present status |
|---|---|---|---|---|
| 1 | Doxycycline Hcl. . . . | M/s Ranbaxy Labs. | 14-12-1990; | This proposal was rejected on 5-11-93. However, M/s, Ranbaxy have recently represented the matter and it is under examination. |
| 2 | Pentazocine . . . . | Do. | 29-11-1994 | Under DPCO, 1995 the Expert Group on Technology Issues was constituted on 18-4-1995. The proposal is under consideration of the Group. |
| | Panitidine . . . . | M/s Glaxo | 30-1-1995 | -Do |

**Production of life saving drugs and compound medicines**

8359. SHRI SANJAY DALMIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the production of life-saving drugs and compound medicines during the last three years, year-wise;

(b) whether Government have taken a decision to import life savings drugs to meet the increasing demand; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (c) Year-wise production of Bulk Drugs and Formulations in the last three years is as following:

Rs. in crores

| Year | Bulk Drug | Formulation |
|---|---|---|
| 1992-93 . . | 1150.00 | 6000.00 |
| 1993-94 . . | 1320.00 | 6900 00 |
| 1994-95 . . (estimated) | 1518.00 | 7935 00 |

The country is almost self sufficient in meeting the requirement of quality medicines for various therapeutic groups. The indigenous production is increasing to meet the rising demand. The exports of bulk drugs and formulations is also increasing. Except for a few drugs and formulations which ae on the restricted list for imports, import of medicines is on the OGL.